S6615-82

OREGON LABOR TRENDS

MAY 1990

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Apr.	1990	4.8
Mar.	1990	5.0
Apr.	1989	5.7

United States (Seas. Adj.)

Apr.	1990	5.4
Mar.	1990	5.2
Apr.	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Apr.	1990	133.2
Mar.	1990	132.9
Feb.	1990	132.1
Jan.	1990	132.1
Dec.	1989	130.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Mar.	1990	$11.05
Feb.	1990	$11.00
Mar.	1989	$10.83

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Mar.	1990	39.4
Feb.	1990	38.0
Mar.	1989	39.2

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%

United States

Apr. 1990	128.9
Yearly change	4.7%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

OUT FOR THE COUNT

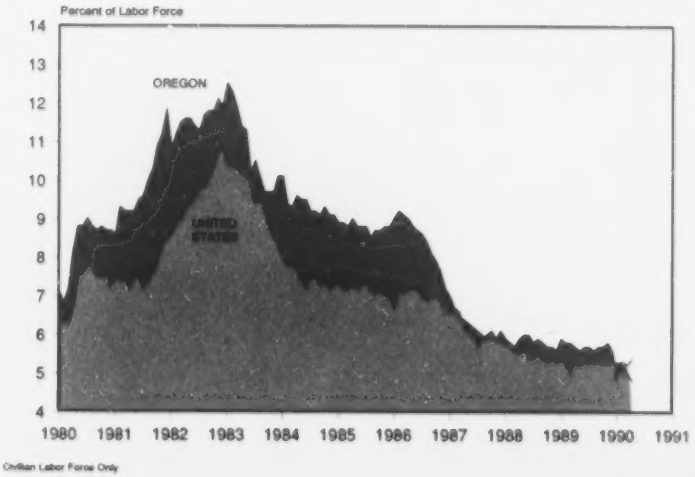
Graham Slater

Think for a minute about those of us working in organizations like the Employment Division's Research and Statistics section. There are many emotions which probably run through your mind; humor, pity, or amazement high among them. Remember, though, that we actually like spending almost our entire worklives dealing essentially with numbers -- the trends they demonstrate, our analysis of what they mean, and our projections of how they will look in the future. Given that, it will come as no surprise that the decennial census is a high point in our long-term calendar: a chance to verify all the things that we believe to be true based on ten years of less-than-perfect data on all kinds of economic and demographic issues.

Even more exciting (if that is possible) are those occasions when the business of economics, and employment economics in particular, comes crashing to the forefront of public interest. Seldom has that been more evident than in the past few months as study after study, news release after news release, have been issued addressing aspects of the spotted owl/log supply crisis. In fact, the main counting taking place in April may not have been done by the census people, but by those attempting to enumerate the economic implications of the spotted owl conservation strategy proposed by an interagency scientific study group.

With all this counting going on, what were we doing? Well, the same old stuff, which in my case largely means using our monthly survey of Oregon employers to make the best estimates possible of where Oregon's economy stands right now. Let's take a look at the April picture, with a few sidetracks to relate what we are showing to the other analyses you may have read about.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	APR.1/ 1990	MAR.2/ 1990	APR. 1989	CHANGE FROM MAR. 1990	CHANGE FROM APR. 1989
TOTAL 5/	1,738,000	1,225,400	1,187,200	12,600	50,800
WAGE & SALARY EMPLOYMENT INDEX 6/	133.2	132.9	127.7	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	264,200	260,800	254,300	3,400	9,900
SERVICE PRODUCING INDUSTRIES 8/	973,800	964,600	932,900	9,200	40,900
TOTAL MANUFACTURING	213,600	214,100	209,700	- 500	3,900
DURABLE GOODS	157,500	157,700	154,300	- 200	3,200
LUMBER & WOOD PRODUCTS	64,400	64,600	63,700	- 200	700
LOGGING	10,000	9,900	10,900	100	- 900
SAWMILLS	21,800	22,200	22,100	- 400	- 300
VENEER & PLYWOOD	15,400	15,400	14,600	0	800
MILLWORK & STRUCTURAL WOOD	10,900	10,900	10,300	0	600
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,400	4,300	4,000	100	400
FURNITURE AND FIXTURES	2,900	3,000	2,900	- 100	0
STONE, CLAY, GLASS & CONCRETE	4,300	4,200	4,100	100	200
PRIMARY METALS	11,400	11,500	10,700	- 100	700
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,500	0	400
NONFERROUS METALS 9/	5,500	5,600	5,200	- 100	300
FABRICATED METALS	11,700	11,600	12,700	100	- 1,000
FABRICATED STRUCTURAL METALS	5,000	4,900	5,700	100	- 700
OTHER FABRICATED METALS	6,700	6,700	7,000	0	- 300
MACHINERY	18,100	18,200	17,400	- 100	700
OFFICE & COMPUTING MACHINES	4,900	4,900	4,300	0	600
OTHER MACHINERY	13,200	13,300	13,100	- 100	100
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,000	16,800	15,000	200	2,000
TRANSPORTATION EQUIPMENT	12,100	12,000	11,200	100	900
INSTRUMENTS & RELATED PRODUCTS 9/	11,900	12,000	12,700	- 100	- 800
MISCELLANEOUS MANUFACTURING	3,700	3,800	3,900	- 100	- 200
NONDURABLE GOODS	56,100	56,400	55,400	- 300	700
FOOD & KINDRED PRODUCTS	21,300	21,500	20,500	- 200	800
CANNING & PRESERVING	10,500	10,700	10,300	- 200	200
OTHER FOOD PRODUCTS	10,800	10,800	10,200	0	600
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,700	2,700	- 100	- 100
PAPER & ALLIED PRODUCTS	8,600	8,700	9,000	- 100	- 400
PRINTING & PUBLISHING	13,800	13,800	13,400	0	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM & ASPHALT PRODUCTS	500	400	500	100	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,900	0	- 100
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,024,400	1,011,300	977,500	13,100	46,900
MINING & QUARRYING	1,300	1,300	1,300	0	0
CONSTRUCTION	49,300	45,400	43,300	3,900	6,000
BUILDING CONSTRUCTION	12,800	12,000	11,400	800	1,400
HEAVY CONSTRUCTION	6,100	4,700	6,200	1,400	- 100
SPECIAL TRADE CONTRACTORS	30,400	28,700	25,700	1,700	4,700
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,000	64,000	61,800	0	2,200
TRANSPORTATION	42,400	42,400	40,600	0	1,800
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,300	24,500	23,000	- 200	1,300
OTHER TRANSPORTATION	14,300	14,100	13,700	200	600
COMMUNICATIONS	12,400	12,400	12,400	0	0
UTILITIES	9,200	9,200	8,800	0	400
TRADE	315,800	312,400	299,100	3,400	16,700
WHOLESALE TRADE	80,600	81,100	76,000	- 500	4,600
DURABLE GOODS	47,400	47,100	44,700	300	2,700
MACHINERY, EQUIPMENT, & SUPPLIES	11,200	11,100	10,700	100	500
OTHER DURABLE GOODS	36,200	36,000	34,000	200	2,200
NONDURABLE GOODS	33,200	34,000	31,300	- 800	1,900
GROCERIES & RELATED PRODUCTS	12,200	13,100	11,600	- 900	600
OTHER NONDURABLE GOODS	21,000	20,900	19,700	100	1,300
RETAIL TRADE	235,200	231,300	223,100	3,900	12,100
BUILDING MATERIALS & GARDEN SUPPLIES	9,000	8,600	7,800	400	1,200
GENERAL MERCHANDISE	29,300	29,000	27,400	300	1,900
FOOD STORES	41,100	40,400	37,900	700	3,200
AUTO DEALERS & SERVICE STATIONS	29,200	28,900	28,800	300	400
APPAREL & ACCESSORY STORES	9,600	9,600	8,900	0	700
FURNITURE & HOME FURNISHINGS	9,700	9,800	9,000	- 100	700
EATING & DRINKING PLACES	83,600	81,600	80,200	2,000	3,400
MISCELLANEOUS RETAIL	23,700	23,400	23,100	300	600
FINANCE, INSURANCE, & REAL ESTATE	75,600	75,600	74,700	0	900
FINANCE	28,000	28,100	27,700	- 100	300
INSURANCE	22,200	22,200	22,200	0	0
REAL ESTATE	25,400	25,300	24,800	100	600
SERVICES	290,400	287,900	278,700	2,500	11,700
HOTELS & OTHER LODGING PLACES	19,000	18,300	18,000	700	1,000
PERSONAL SERVICES	10,800	10,800	11,100	0	- 300
BUSINESS SERVICES	47,800	47,300	46,200	500	1,600
AUTOMOTIVE & MISC. REPAIR SERVICES	15,500	15,100	15,100	400	400
MOTION PICTURES & AMUSEMENTS	15,300	15,100	14,200	200	1,100
HEALTH SERVICES	85,500	85,100	80,800	400	4,700
LEGAL SERVICES	8,700	8,800	8,600	- 100	100
PRIVATE EDUCATION	15,400	15,300	15,500	100	- 100
SOCIAL SERVICES	25,900	25,900	24,100	0	1,800
ENGINEERING & MANAGEMENT SERVICES	19,300	19,300	19,400	0	- 100
OTHER SERVICES & NEC	27,200	26,900	25,700	300	1,500
GOVERNMENT	228,000	224,700	218,600	3,300	9,400
FEDERAL GOVERNMENT	35,300	32,200	31,300	3,100	4,000
STATE GOVERNMENT	60,900	61,100	60,100	- 200	800
EDUCATION	25,900	26,300	25,400	- 400	500
OTHER STATE	35,000	34,800	34,700	200	300
LOCAL GOVERNMENT	131,800	131,400	127,200	400	4,600
EDUCATION	83,900	84,400	81,700	- 500	2,200
OTHER LOCAL	47,900	47,000	45,500	900	2,400
LABOR-MANAGEMENT DISPUTES 10/	900	900	3,800	0	- 2,900

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	APR.1/ 1990	MAR.2/ 1990	APR. 1989	CHANGE FROM MAR. 1990	CHANGE FROM APR. 1989
CIVILIAN LABOR FORCE 3/	1,451,000	1,425,700	1,481,600	25,300	- 30,600
UNEMPLOYMENT	71,500	80,700	86,900	- 9,200	- 15,400
PERCENT OF LABOR FORCE	4.9	5.7	5.9	XXX	XXX
SEASONALLY ADJUSTED PERCENT	4.8	5.0	5.7	XXX	XXX
TOTAL EMPLOYMENT 4/	1,379,500	1,345,000	1,394,700	34,500	- 15,200

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

If I had to rate April's employment performance on a scale of one to ten, I'd be hard-pressed to put it much above a five. Yes, the unemployment rate dropped (from a seasonally adjusted 5.0% to 4.8%). And yes, the wage and salary employment index increased (as it has in all but two of the past 30 months). But the overriding feature of the April activity was weakness, not necessarily limited to the lumber and wood industry. In fact, without the Census Bureau kicking into high gear, seasonally adjusted employment would have taken a downturn in April, the first time that would have happened since January 1988.

Government employment was one of the three big winners in April, with a 3,300 increase over the March level. Although we haven't yet received the official employment data from the Census Bureau (the ultimate irony), phone calls to each of the five regional offices in Oregon suggested that April employment stood in excess of 3,000; substantially above the 700 March level. At least 1,000 more employees are expected to be hired during April and May as the foot soldiers hit the streets seeking information from the roughly one-third of Oregonians who did not mail in their census form on time.

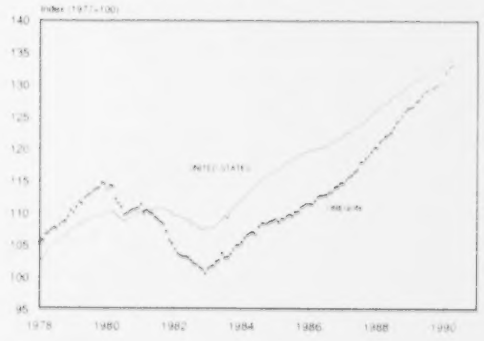
April was a fabulous month in retail trade. . .

Even though the census is creating thousands of jobs in Oregon and across the nation, they are certainly not long-term, economy-building jobs. Few of the jobs will last more than three or four months. Oregon's retail trade sector stands in stark contrast to this situation, with employment growth for seven consecutive years, and more jobs being added all the time. April was a fabulous month in retail trade with 3,900 new jobs, far in excess of the 2,800 increase which would be normal at this time of year based on purely seasonal trends.

The third industry which recorded major employment growth in April was construction, which, like retail trade, added 3,900. (It's worth noting, though, that 3,900 new jobs in construction represents a huge 8.6% increase, whereas in retail trade it reflects a much more palatable 1.7%.) Perhaps the most amazing single statistic to come out of our April analysis was that construction employment (49,300) now stands at the second highest April level, with only 500 jobs fewer than in April 1979, the high-water mark of pre-recession Oregon history! New jobs in April were widely spread between the three main components of construction: general building contractors (up 800), heavy construction (up 1,400), and special trades contractors (up 1,700).

With all this positive news, you're probably wondering why I characterized the month as a five, and used the phrase "weakness" in my opening comments. Well, for a start, seasonally adjusted services employment actually fell between March and April. I admit it only dropped by 100, and a one month trend means little, but this is the third decline in six months, an unthinkable situation over the past few years. In addition to services, the following industry groups also recorded seasonally adjusted downturns: mining; transportation, communications, and utilities; wholesale trade; and finance, insurance, and real estate.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



Looking at the manufacturing sector offers no encouragement either -- in fact, the picture almost gets worse. Even if we exclude lumber and wood products from the manufacturing data, it would still be true that manufacturing employment dropped by 500 after allowing for normal seasonal trends. There are occasions when that would be no big deal. The completion of a major ship repair contract, for example, could result in a job loss twice that size. But the job declines in April were more widespread than that, and therefore, more difficult to document and, indeed, correct.

While no manufacturing industries outside of lumber recorded major job declines, the entire "other durables" group -- durable goods manufacturing except lumber and wood products -- caused great concern. Looking at the statistics wouldn't tell you much -- we expect no employment change during a typical April, and that is exactly what we got. But that ranks with the most misleading statistical comments on record. According to our employment tables (elsewhere in this publication), no single industry registered major employment shifts. But we did notice a sizable increase in the number of employment-related announcements in April - not only closures and layoffs, but also reopenings and expansions. Major layoffs were announced in furniture and fixtures, fabricated metals, and instruments and related products. More positive announcements (new openings, reopenings, and/or expansion) came in stone, clay, and glass products, and electronic components and accessories. Two industries -- primary metals and ship repair -- were affected by both negative and positive announcements. And, by the time you read this, at least one more layoff announcement affecting between 1,500 and 6,000 Oregon high-tech workers, will almost certainly have been made. The point is, with this many published accounts of significant employment changes at the firm level, it appears that Oregon has moved away from a period of stability toward one of some uncertainty.

Finally, the real topic of concern for Oregon's economy -- the lumber and wood industry. Let's fill in the events of April as seen by the news media, then we'll look at the industry through the eyes of the available employment data.

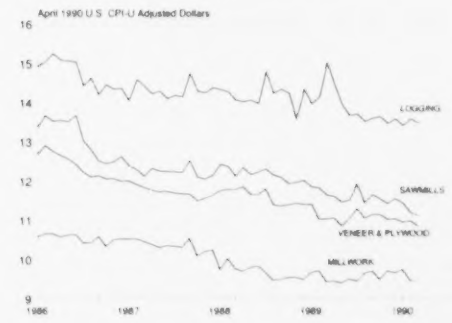
The major incident in April was the release of a new scientific study on the spotted owl and its habitat. Essentially (and this is the shortest summary you will ever see of this particular report), an Interagency Scientific Committee headed by Jack Ward Thomas, a U.S. Forest Service biologist, concluded that "the owl is imperiled over significant portions of its range because of continuing losses of habitat from logging and natural disturbances." To ensure the owl's viability, the Committee proposed a two-part conservation strategy. In the first stage, "adequate amounts and distribution of habitat are protected to ensure the owl's long-term survival." The total acreage within the proposed network of Habitat Conservation Areas (HCAs) in Washington, Oregon, and California is 8.4 million acres. About 40% of these areas occur in lands already reserved in wilderness areas, national parks, and other set-asides. The second stage calls for research and monitoring to test the adequacy of the strategy, and to design silvicultural systems that might be developed to yield significant volumes of wood products while ensuring suitable habitat for the owls. Since the Thomas Committee's report was prepared from a scientific, not economic perspective, no job loss or timber harvest impacts were estimated. But calls for concrete economic impact data came quickly, and filled business pages for weeks following.

In response to the findings of the Thomas Committee, the U.S. Forest Service and Bureau of Land Management (BLM) formed an interagency staff team to analyze the economic impacts. Their report, issued in early May, compared implementation of current plans for National Forests and BLM Districts with implementation of the spotted owl conservation strategy. Among Oregon National Forests, the volume of timber offered for sale would drop by 38% by 1995, with the Willamette and Siuslaw National Forests facing the biggest timber sale volume reductions. BLM lands in Western Oregon would reduce timber sale volumes even more substantially, with an overall 62% cutback. More than half of the current timber sales level would be eliminated in the Salem, Eugene, Roseburg, and Coos Bay Districts. The other District, Medford, would face a 42% reduction.

According to the USFS/BLM analysis, adoption of the owl plan and projected final plans for the National Forests would cost the Northwest some 25,500 direct and indirect jobs by 1995 due to the harvest volume reductions on federal lands. However, an expected increase in private harvests would reduce the total job losses to a net decline of "only" 13,300. This influx of private timber is not expected to last, though, so by 2000, the actual job loss would reach about 28,000. Oregon's portion of this projected job loss is estimated at about 16,000.

LUMBER EMPLOYMENT BY SECTOR
Oregon: 1986-1990

Average Hourly Earnings
Oregon: 1986-1990



Predictably, few of those offering comments on the USFS analysis came close to agreeing with it. Environmental groups charged that USFS projections overstated the job losses. The Oregon Natural Resources Council said that only about 6,500 of the lost jobs would be directly attributable to the owl habitat plan. And increased cutting on private lands would reduce this figure to just 4,000. The Wilderness Society stated that the USFS analysis ignores the impact of reducing log exports. The Society contends that an end to log exports would provide enough timber to supply domestic mills.

From an industry perspective, the USFS projections are seen as understating the damage. Industry spokespersons claimed that the private lands will not make up for half the employment and harvesting loss from federal lands by 1995. In addition, there is grave concern that whatever the total job loss across the Northwest, some small, timber-dependent communities will face severe recession as massive layoffs cause ripple effects through the communities' trade, service, and real estate sectors.

Returning to current data, a much safer and more accurate subject, April was a dismal month for the lumber industry. Employment dropped by 200 at a time of year when a 600 increase would be more typical. And don't be misled by the +700 comparison with year ago figures. Last year there were 3,600 lumber workers on strike; this year, just 300. Therefore, the true change in lumber employment has been closer to -2,600. In addition, our April employment estimates included eleven announced cutbacks and/or closures, while only two mills showed employment growth after previous layoffs.

For the past couple of years, Employment Division staff have been compiling and maintaining a list of lumber closures. Most of these have been gleaned from media reports, although a few come directly from our monthly survey of Oregon employers. A table listing all the "published" closures and giving the total job loss from the "confidential" closures can be obtained by calling Graham Slater at (503) 378-2477. This list currently includes 64 announced closures and/or cutbacks accounting for a total of 5,799 jobs. Sawmills (with 30 closures accounting for 3,010 jobs) and veneer and plywood (25 for 2,331) have borne the brunt of the closure announcements since July 1988.

One of the problems with such a list is that many smaller firms are never included, simply because a layoff of 10 or 20 employees is unlikely to make it into any but the most localized newspaper. This problem is particularly evident in logging, where more than three-fourths of the firms have fewer than 10 employees. (Across the rest of the lumber industry, less than 40% of the companies have fewer than 10 workers.) So although our closures list has only one logging outfit, logging employment has dropped substantially over the past two years. One of the attached graphs shows employment trends for the four major lumber and wood sectors, and clearly shows that the peaks and troughs of the seasonal logging cycle are occurring at lower levels these past two years. In addition, what is normally a brief one-month trough during the deepest winter has stretched into a three-month valley this year. The April employment level (10,000) is the lowest since 1982 (8,700) and 1983 (9,700), the only two years on record where employment was lower. Comparing with the past two years, April employment was 900 below 1989, and 1,900 under 1988. Given the mild weather of the recent past, weather conditions were certainly not to blame.

After adjusting for inflation, the average hourly earnings of lumber and wood production workers has dropped steadily and substantially over the past four years.

One further point regarding logging, (which, as shown on the attached graph, applies equally to sawmills, veneer and plywood, and millwork). After adjusting for inflation, the average hourly earnings of lumber and wood production workers has dropped steadily and substantially over the past four years. In logging, the high point in this period came in March 1986 with $15.25 (in April 1990 dollars). November 1989, January 1990, and March 1990 all came in below $13.50.

Sawmills took the brunt of the April cutbacks, with six announced layoffs accounting for more than 300 jobs. Employment in sawmills has declined for nine straight months and in spite of seasonal expectations to the contrary, may well continue this trend for many more.

Veneer and plywood employment appears healthy compared with last year, but only because of the massive labor dispute described above. Without last year's strike-affected number, the current 15,400 is the lowest April level since 1972 when comparable records began. Look back at the employment graph. If you visualize a straight line replacing the four-month strike early in 1989, there is a definite downward trend.

Millwork remains the one truly bright spot in the lumber industry as employment continues to grow. The 10,900 April level, unchanged from March, is an all-time high. Even so, there was a subtle warning that this growth might not continue. A typical April would include the addition of 300 millwork jobs, not merely a maintenance of the March employment level.

For completeness, let's consider the other two areas of the lumber industry. While mobile home manufacturing is not the most significant in terms of employment, it did register an excellent year in 1989, with 200 new jobs -- significant when total employment was only 1,800. Thus far in 1990, the industry is offering about 100 more jobs than at the same time in 1989.

Other wood products, defined as "anything we haven't already covered," has dropped about 100 jobs over the past couple of years. The current employment level of 4,400 is divided roughly as follows:

- Wood boxes, pallets, and containers -- approximately 400 employees
- Wood preserving -- 400 employees
- Reconstituted wood (such as flakeboard, particleboard, waferboard, and the like) -- 2,000 employees
- Other (a veritable "what's what" of wooden items such as fencing, firewood, frames, ladders, oars, poles, rolling pins, toilet seats, and toothpicks!) -- 1,600 employees

Two final points to ponder. First, while the spotted owl is certainly the most pressing employment-related issue in Oregon right now, protecting the environment is a cause that is gaining widespread attention and momentum on a nationwide basis. In the past two weeks, major headlines have dealt with issues ranging from mountain goats vs. old-growth timber in Washington; red-cockaded woodpeckers vs. old pine trees in Florida, Louisiana, and other Southern states; and Mount Graham red squirrels vs. a proposed University of Arizona observatory in Arizona. (This one is particularly interesting because it involves confrontation not between environmentalists and industry, but between environmentalists and other scientists -- those who favor knowledge of our own planet against those more interested in studying others.)

Second, at the time of writing this article, several thousand census enumerators are "out for the count," attempting to gather information from all those Oregon residents who did not mail in their census form as requested. As the Census Bureau knows well, getting accurate, complete, and timely information is no easy task. There are a thousand and one reasons for not receiving such information, ranging from innocent forgetfulness to deliberate misrepresentation. Many of the reasons are also active in the current lumber debate. Whether counting old-growth survivors, spotted owls, or employed lumber workers, there is an incredibly wide range of estimates from which analysts must choose. Even on a current basis, the only one of the three numbers which appears to be widely agreed upon is current employment in the industry. But looking at the future, employment levels are as much an unknown as any other factors. Look at these quotes from media analysis over the past few weeks:

- "How many Northwest jobs will be lost to protect the spotted owl? Pick a number, any number. It's probably close to one somebody has put forth ..."
- "Roller-coaster estimates of job losses from proposed federal timber shutdowns reflect politics and varying assumptions. But state and federal officials said Tuesday that one thing was certain: Nobody knows."

For most of us, outside the corridors of power, there's not much we can do but wait and see. For those of us charged with tracking the employment situation, you can be sure that we will be noting every development, listing every closure, and publishing every piece of information which might be of interest or assistance to those attempting to plan a stable and balanced future for this state. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989
TOTAL MANUFACTURING[4]	$435.37	$418.00	$424.54	39.4	38.0	39.2	$11.05	$11.00	$10.83
Durable Goods	440.27	422.11	429.37	39.7	38.2	39.5	11.09	11.05	10.87
Lumber & Wood Products	438.29	413.19	433.01	39.7	37.7	39.4	11.04	10.96	10.99
Logging & Sawmills	461.77	422.01	468.70	39.1	36.1	38.8	11.81	11.69	12.08
Veneer & Plywood	441.86	432.04	424.04	40.8	39.6	40.5	10.83	10.91	10.47
Millwork & Structural	381.24	375.06	360.19	40.3	39.9	40.2	9.46	9.40	8.96
Mobile Homes	339.38	304.31	318.79	35.8	33.7	35.5	9.48	9.03	8.98
Other Wood Products	424.23	424.51	415.04	39.5	39.6	40.1	10.74	10.72	10.35
Furniture & Fixtures	350.04	354.54	330.41	36.5	38.0	35.3	9.59	9.33	9.36
Primary Metals	507.06	508.41	505.94	40.5	41.1	41.2	12.52	12.37	12.28
Fabricated Metals	420.42	383.99	384.23	39.7	37.1	38.5	10.59	10.35	9.98
Machinery (Ex Electrical)	445.32	445.90	446.49	40.3	39.6	41.0	11.05	11.26	10.89
Nondurable Goods	421.83	405.08	411.18	38.7	37.3	38.5	10.90	10.86	10.68
Food & Kindred Products	344.77	332.17	331.78	36.6	35.3	36.3	9.42	9.41	9.14
Canning & Preserving	289.45	275.52	274.28	35.0	33.6	34.5	8.27	8.20	7.95
Other Food Products	417.27	406.88	406.07	38.6	37.5	38.6	10.81	10.85	10.52
Textile Mill Products	239.36	221.38	248.98	32.0	29.4	34.2	7.48	7.53	7.28
Apparel	266.47	254.69	248.44	38.9	37.4	37.7	6.85	6.81	6.59
Paper & Allied Products	646.34	618.00	674.10	42.3	41.2	45.0	15.28	15.00	14.98
Printing & Publishing	487.77	450.38	423.15	39.4	37.5	36.7	12.38	12.01	11.53
Construction[4]	575.05	498.51	541.80	37.1	32.1	36.0	15.50	15.53	15.05
Communications & Utilities[5]	532.13	543.23	530.00	39.8	40.6	40.0	13.37	13.38	13.25
Trade[5]	320.51	316.51	306.12	34.5	33.6	33.9	9.29	9.42	9.03
Wholesale Trade	420.92	417.38	408.34	38.3	37.1	37.6	10.99	11.25	10.86
Retail Trade	268.13	263.74	251.69	32.5	31.7	31.9	8.25	8.32	7.89
Banking & Insurance[5]	361.09	375.07	333.04	36.4	36.7	36.8	9.92	10.22	9.05
State & Local Government	399.31	404.65	377.82						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

IS OREGON'S WORKFORCE AT RISK?

Jeff Hannum

Oregon is facing a potential "skill's gap" in the next decade where the educational and technical abilities of workers may not match with the new jobs and changing occupational requirements of current jobs.

Oregon is facing a potential "skill's gap" in the next decade...

That's one of the key trends cited in a newly-released Employment Division report entitled *Oregon Workforce at Risk*. The report discusses major trends and issues facing Oregon in the 1990s and the state's strategic plan for developing a competitive workforce.

The first section of the report includes analysis, demographic and economic projections to the year 2000. Included are projections of Oregon's population, labor force, unemployment rates, and employment by industry and occupation. For example, during the 1980s goods-producing jobs in Oregon declined by 6,000 while 170,000 service-producing jobs were created. Employment Division economists predict that over 200,000 new jobs will be created in the 1990s, with 92 percent of these new jobs coming in service-producing industries. Currently, 78 percent of wage and salary jobs are in the service sector.

In manufacturing, about 11,000 new jobs are likely in the next decade, but job declines in Oregon's timber industry are expected to continue. Over 8,000 wood products jobs will be lost due to reduced timber supplies, environmental constraints, automation, and other reasons. By the year 2000, manufacturing will account for only 15.9 percent of Oregon's total wage and salary employment, an historical low.

The second section of the report focuses on several key issues that will affect Oregon's economy and labor force in the 1990s.

...over 200,000 new jobs will be created in the 1990s, with 92 percent of these new jobs coming in service-producing industries.

First is the issue of productivity and its impact on Oregon's and the nation's ability to compete effectively in the world economy. The productivity record over the past 20-30 years is reviewed, indicating that the U.S. has not been keeping up with increases in other countries. Productivity growth not only has important implications for our standard of living, it also is critical if we are to improve our competitive position.

The second issue discussed is the impact of technology on the workplace. The occupational profile of an industry can be significantly changed by the introduction of new technology. Labor-intensive jobs are eliminated. The remaining jobs are changed because the tasks to be performed involve the use of new machinery and/or processes. As a result, workers may need higher levels of reading, writing, math, problem-solving and interpersonal skills in order to do their work. This signals the need for workers to have more and/or higher levels of training at the entry level. It also means that if Oregon is to improve its competitive position, it must provide a high quality education and training system that will serve all Oregonians throughout their worklives.

The "contingent" labor force and its effect on the economy is the third issue discussed. The contingent labor force includes temporary, part-time, and subcontracted employees. For a variety of reasons, each of these groups will become a more important part of tomorrow's labor force.

The way work is organized is becoming as important to worker productivity as are the skill levels of workers.

OREGON'S CHANGING ECONOMY
1980-2000

Employment By Occupation
(Thousands)

	1980	1990	2000	1980-1990 CHANGE Number	1980-1990 CHANGE Percent	1990-2000 CHANGE Number	1990-2000 CHANGE Percent
Managers & Administrators	64.0	70.7	86.2	6.7	10.5%	15.5	21.9%
Professional & Technical Workers	165.0	236.2	292.8	71.2	43.2%	56.6	24.0%
Sales Workers	121.7	147.9	178.8	26.2	21.5%	30.9	20.9%
Clerical Workers	195.9	223.4	257.3	27.5	14.0%	33.9	15.2%
Service Workers	163.4	189.8	237.9	26.4	16.2%	48.1	25.3%
Ag/Forestry Workers	17.4	22.7	24.0	5.3	30.5%	1.3	5.7%
Precision/Craft/Repair Workers	119.6	119.3	133.6	-0.3	-0.3%	14.3	12.0%
Operators/Fabricators/Laborers	207.9	198.5	204.4	-9.4	-4.5%	5.9	3.0%
TOTAL	1054.9	1208.5	1415.0	153.6	14.6%	206.5	17.1%

NOTE: 1990 and 2000 projected data are adjusted using national change factors for major occupational groups. 1980 data includes some additional agricultural industry workers across all occupational groups.

The fourth issue covered is the changing nature of worklife. The way work is organized is becoming as important to worker productivity as are the skill levels of workers. Different approaches to the development of human resources that may be reflected in the workplace of the 1990s are reviewed.

These changes in the workplace and increasing economic competition worldwide lead to the fifth issue which is the need for higher levels of education and training within the workplace. Topics covered include the skills that should be taught, the need to review current teaching strategies, and the need for industry and education to form partnerships to ensure that schools are teaching skills required in the workplace.

. . . tomorrow's workers will need higher levels of education and more skills.

The end result is that tomorrow's workers will need higher levels of education and more skills. It is estimated that by the year 2000, jobs will require an average of 13.3 years of education. Workers will also need to be flexible and able to adapt to new processes. The educational system must provide Oregonians the opportunity to obtain the knowledge and skills required. As the pace of changing technology increases, the need for training and retraining workers will also increase.

The last section of the report summarizes Oregon's strategic plan to develop a strong economy and a quality workforce and educational system. Governor Neil Goldschmidt has outlined a plan entitled *Oregon Shines* to accomplish this goal. The plan envisions the coordination of activities across a broad spectrum of services that will address issues faced by Oregon citizens from early childhood development through the educational system and beyond.

Copies of the *Oregon Workforce at Risk* report are available by contacting:

Employment Division - R&S
Attn: Susan Bell
875 Union Street NE
Salem, Oregon 97311
Ph: (503) 378-6400 □

OREGON'S CHANGING ECONOMY 1980-2000

Employment By Industry (Thousands)

				1980-1990 CHANGE		1990-2000 CHANGE	
	1980	1990	2000	Number	Percent	Number	Percent
TOTAL NONFARM WAGE & SALARY	1044.6	1208.5	1415.0	163.9	15.7%	206.5	17.1%
MANUFACTURING	215.1	213.7	224.7	-1.4	-0.7%	11.0	5.1%
DURABLE GOODS	159.6	154.3	157.7	-5.3	-3.3%	3.4	2.2%
LUMBER & WOOD PRODUCTS	69.5	63.6	55.1	-5.9	-8.5%	-8.5	-13.4%
FURNITURE & FIXTURES	2.6	2.7	2.9	0.1	3.8%	0.2	7.4%
STONE, CLAY & GLASS PRODUCTS	4.5	4.6	5.0	0 1	2.2%	0.4	8.7%
PRIMARY METAL INDUSTRIES	11.0	10.6	12.4	-0.4	-3.6%	1.8	17.0%
FABRICATED METAL PRODUCTS	12.7	11.3	12.0	-1.4	-11.0%	0.7	6.2%
MACHINERY, EXCEPT ELECTRICAL	17.7	18.4	20.8	0.7	4.0%	2.4	13.0%
ELECTRIC & ELECTRONIC EQUIP.	9.8	16.7	20.6	6.9	70.4%	3.9	23.4%
TRANSPORTATION EQUIPMENT	10.3	11.3	10.9	1.0	9.7%	-0.4	-3.5%
INSTRUMENTS & RELATED PROD.	19.3	11.3	13.2	-8.0	-41.5%	1.9	16.8%
MISC. MANUFACTURING INDUSTRIES	2.2	3.8	4.8	1.6	72.7%	1.0	26.3%
NONDURABLE GOODS	55.5	59.4	67.0	3.9	7.0%	7.6	12.8%
FOOD AND KINDRED PRODUCTS	24.3	23.7	24.7	-0.6	-2.5%	1.0	4.2%
TEXTILE & APPAREL	5.2	4.2	4.0	-1.0	-19.2%	-0.2	-4.8%
PAPER & ALLIED PRODUCTS	10.4	8.9	8.7	-1.5	-14.4%	-0.2	-2.2%
PRINTING & PUBLISHING	10.0	14.1	18.2	4.1	41.0%	4.1	29.1%
OTHER NONDURABLES	5.6	8.5	11.4	2.9	51.8%	2.9	34.1%
NONMANUFACTURING	829.5	994.8	1190.3	165.3	19.9%	195.5	19.7%
MINING	2.3	1.8	1.7	-0.5	-21.7%	-0.1	-5.6%
CONSTRUCTION	46.5	42.6	47.5	-3.9	-8.4%	4.9	11.5%
TRANSP., COMM. & UTILITIES	60.5	63.7	68.0	3.2	5.3%	4.3	6.8%
TRADE	255.6	310.0	374.4	54.4	21.3%	64.4	20.8%
RETAIL TRADE	188.2	231.5	283.2	43.3	23.0%	51.7	22.3%
WHOLESALE TRADE	67.4	78.5	91.2	11.1	16.5%	12.7	16.2%
FINANCE, INS. & REAL ESTATE	70.0	76.3	95 8	6.3	9.0%	19.5	25.6%
SERVICES	191.4	281.4	368.4	90.0	47.0%	87.0	30.9%
GOVERNMENT	203.2	219.0	234.5	15.8	7.8%	15.5	7.1%
FEDERAL	30.8	33.6	32.4	2.8	9.1%	-1.2	-3.6%
STATE & LOCAL	172.4	185.4	202.1	13.0	7.5%	16.7	9.0%
GOODS-PRODUCING	263.9	258.1	273.9	-5.8	-2.2%	15.8	6.1%
SERVICE-PRODUCING	780.7	950.4	1141.1	169.7	21.7%	190.7	20.1%

Data for 1990 and 2000 are projected.

SLOW OREGON WAGE GROWTH

David Cooke

Every month in the **Oregon Labor Trends** the Emloyment Division publishes a table entitled "Average Hours and Earnings of Oregon Industrial Production Workers." This table shows estimates of weekly earnings, weekly hours, and hourly earnings for the latest month in which data are available. The figures are listed for every major manufacturing industry and several non-manufacturing industries.

Data in these monthly tables can be used for a variety of purposes ranging from inputs into econometric models to factors used in union bargaining agreements.

Usually, only data for the entire state of Oregon is published in the **Oregon Labor Trends**. Similar series of hours and earnings figures are also published monthly for the metropolitan statistical areas (MSAs) of Oregon. These figures are published for Portland, Salem, Eugene, and Medford in each area's respective local **Labor Trends** newsletter.

Although the MSA figures do not give as detailed an industry break out as the statewide table, direct comparisons can be made between the areas in certain industry sectors such as manufacturing and lumber & wood products.

Since the annual revisions of the hours & earnings figures have recently been completed for 1989, this is a good time to take a look at some of the similarities and differences between the MSAs and the state of Oregon.

Accompanying this article is a graph of the manufacturing annual average weekly wages (not adjusted for inflation) for production workers for the years 1976 through 1989. Each line represents the average weekly earnings for a particular MSA (data are not available for 1976 and 1977 for Salem).

The first striking characteristic on the graph is the way the weekly wages in most areas seem to be increasing at nearly a constant rate from 1976 to 1983. Then after 1983, the weekly wages level off and grow only slightly for the next six years.

Most of the MSAs follow similar trends between 1976 and 1983, showing increases of roughly 8% per year. Medford shows a typical example of the growth trend exhibited since 1976 in every area except Salem. In Medford, the yearly growth is close to 10% from 1977 to 1979, a period of rapid inflation. From 1980 to 1985 the yearly growth averages close to 4%. After 1985, the growth is only about 1% per year, which translates into an average weekly wage gain of a mere $11.65 for the four year period.

Portland and Eugene showed about the same trends as Medford. Portland grew by close to 10% per year through 1981, then slowed to roughly 5% per year in the next two years. Since 1986, Portland has shown virtually no growth in average weekly earnings. Eugene has shown very little average weekly earnings growth since 1983. The 1989 annual average of $424.34 is only $7.61 higher than the 1983 annual average of $416.73.

Salem stands out noticeably from the other areas. Its average weekly earnings in the late '70s and the entire '80s were substantially lower than those of the other MSAs and the state as a whole. In 1980 Salem's average weekly earnings ($299.63) were 91% of the statewide figure ($329.57). Not only did Salem start the decade lower than the rest of the state, but it also grew at a slower rate than Oregon. By 1989, Salem's average weekly earnings ($353.60) were barely growing each year, and were only 83% of the comparable statewide figure ($425.52).

The main reason that Salem's average weekly earnings are always lower than that of the other MSAs is the difference in the composition of manufacturing industries in the region. The Salem MSA is defined as Marion and Polk counties, an area of the state with some of the most fertile farmland, and a central location for processing vegetables grown in the Willamette Valley. Here, employment in food processing makes up a fifth of the statewide total.

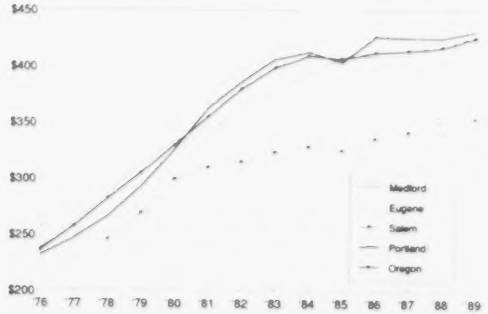
In 1989, these 4,900 food & kindred products workers in the Salem MSA made up 31% of Salem's 1989 manufacturing employment. The proportion of food & kindred products workers to total manufacturing employment was substantially lower in the other areas. The percentages are as follows: Oregon 11%, Portland 8%, Eugene 8%, and Medford 4%. Average weekly earnings in food & kindred products are generally lower than in other manufacturing industries. The greater proportion of food & kindred products workers who are paid less than their other manufacturing production worker counterparts explains the reason for the lower average weekly earnings figures in Salem.

From 1980 to 1989, the CPI-W for Portland-Vancouver increased by 33.3%. This was greater than the increase of average weekly wages in Oregon and in each of the MSAs.

Even though Salem's average weekly earnings figures are below the other MSAs, the graph of Salem's trend in the '80s shows the same slow growth in earnings as the other regions of the state.

In Oregon throughout the '80s, the wage growth in actual dollars paid has been slow. When adjusted for inflation, however, the earnings power shows a decline.

Manufacturing Average Weekly Wage
for Production Workers



To measure inflation for Oregon manufacturing production workers, it may be best to use the Consumer Price Index for Urban Wage Earners & Clerical Workers (CPI-W) for Portland-Vancouver. This indicator is the most closely representative measure of inflation which has affected Oregon manufacturing production workers.

From 1980 to 1989, the CPI-W for Portland-Vancouver increased by 33.3%. This was greater than the increase of average weekly wages in Oregon and in each of the MSAs. The average weekly wage increases during the same period for Portland (32.4%) and for Oregon (29.1%) nearly kept up with inflation. Medford's increase (26.1%) was also close. But the increases for Salem (18.0%) and Eugene (17.8%) were well below the rate of inflation. (The statistical series for Portland is not strictly comparable throughout the decade. In 1983, Clark County, Washington was replaced by Yamhill County, Oregon in the definition of the Portland MSA.)

Eugene shows the most dramatic dollar impact of the loss of earning power when inflation is factored in. If average weekly wages in Eugene had kept pace with inflation, in 1989 they would have been $55.86 higher than they actually were.

Whatever the reasons, the apparent declining earning power as reflected in the weekly wage statistics is a disturbing trend. . .

Why has the earning power of these Oregon workers diminished, as reflected in these weekly wages? Why is the pay for Eugene workers at the end of the decade $55.86 less than the equivalent pay at the start of the decade? One of the reasons is the increased use of irregular forms of compensation (e.g. bonuses not paid each pay period, lump sum payments, etc.), which are not included in the weekly wage statistics. Another reason may be a decreased proportion of higher paid jobs due to a changing industry mix. Further reasons would certainly include actual wage cuts or small wage increases that have been experienced by workers in many manufacturing sectors. Whatever the reasons, the apparent declining earning power as reflected in the weekly wage statistics is a disturbing trend to those Oregonians who previously had become accustomed to a continually rising standard of living. □

1989 UNEMPLOYMENT RATES BY STATE

AREA	1989 Rank	1989	1988	1988-89 Change
United States		5.3	5.5	-0.2
Hawaii	1	2.6	3.2	-0.6
Nebraska	2	3.1	3.6	-0.5
Delaware	3	3.5	3.2	0.3
New Hampshire	3	3.5	2.4	1.1
North Carolina	3	3.5	3.6	-0.1
Connecticut	6	3.7	3.0	0.7
Maryland	6	3.7	4.5	-0.8
Vermont	6	3.7	2.8	0.9
Virginia	9	3.9	3.9	0.0
Kansas	10	4.0	4.8	-0.8
Massachusetts	10	4.0	3.3	0.7
Maine	12	4.1	3.8	0.3
New Jersey	12	4.1	3.8	0.3
Rhode Island	12	4.1	3.1	1.0
South Dakota	15	4.2	3.9	0.3
Iowa	16	4.3	4.5	-0.2
Minnesota	16	4.3	4.0	0.3
North Dakota	16	4.3	4.8	-0.5
Wisconsin	19	4.4	4.3	0.1
Pennsylvania	20	4.5	5.1	-0.6
Utah	21	4.6	4.9	-0.3
Indiana	22	4.7	5.3	-0.6
South Carolina	22	4.7	4.5	0.2
Nevada	24	5.0	5.2	-0.2
California	25	5.1	5.3	-0.2
Idaho	25	5.1	5.8	-0.7
New York	25	5.1	4.2	0.9
Tennessee	25	5.1	5.8	-0.7
Arizona	29	5.2	6.3	-1.1
Georgia	30	5.5	5.8	-0.3
Missouri	30	5.5	5.7	-0.2
Ohio	30	5.5	6.0	-0.5
Florida	33	5.6	5.0	0.6
Oklahoma	33	5.6	6.7	-1.1
Oregon	**35**	**5.7**	**5.8**	**-0.1**
Colorado	36	5.8	6.4	-0.6
Montana	37	5.9	6.8	-0.9
Illinois	38	6.0	6.8	-0.8
Kentucky	39	6.2	7.9	-1.7
Washington	39	6.2	6.2	0.0
Wyoming	41	6.3	6.3	0.0
Alaska	42	6.7	9.3	-2.6
New Mexico	42	6.7	7.8	-1.1
Texas	42	6.7	7.3	-0.6
Alabama	45	7.0	7.2	-0.2
Michigan	46	7.1	7.6	-0.5
Arkansas	47	7.2	7.7	-0.5
Mississippi	48	7.8	8.4	-0.6
Louisiana	49	7.9	10.9	-3.0
West Virginia	50	8.6	9.9	-1.3

BASIC SKILLS FOR TOMORROW'S WORKFORCE

Mary Himmel

When a cross section of employers in Oregon were recently asked what they would be looking for in prospective employees over the next ten years, a number of consistent themes emerged that cut across industry lines. Of course, each industry will be continuing to look for individuals with appropriate technical skills, but a common theme for all of them was an emphasis on quality work through basic work skills. Following is a summary of their comments and ideas about workplace skills for the future.

TRAINING AND EDUCATION

Employees can expect to be involved in on-the-job and job-related training on a regular basis throughout their careers. High schools, community colleges, and universities are not able to provide employers with the specialized skills they require, and employers are dealing with this dilemma in two ways. Larger employers are becoming more selective in their hiring decisions, and because they can afford to pay higher salaries they look for people with demonstrated work experience in smaller organizations. This means that many fresh graduates are going to have to spend time developing their skills and building their resumes in smaller organizations before they get a shot at the higher-paying jobs.

Smaller organizations still need the specialized skills and are spending more time developing in-house or cooperative training programs through their associations or in conjunction with local community colleges and universities. Another growing trend is the willingness of industry to assist employees in furthering their education through tuition reimbursement programs that encourage employees to take off-hours classes at local institutions. The age of life-long learning is now upon us by necessity, not convenience.

The age of life-long learning is now upon us by necessity, not convenience.

MATHEMATICS

Every employer emphasized the importance of front-line production workers having proficient math skills at least through algebra. Some were looking for people with additional training in geometry, trigonometry, and statistics. Computers, robotics, and a concern for quality will continue to make basic math skills a reality in tomorrow's workplace. For example, lathe operators must be able to enter set-up specifications, production data, and quality control information into computers right on the production floor. Every industry interviewed is using some form of statistical process control (SPC) system that requires operators to calculate and enter production data on charts and graphs or into computers. Computerized numerical control (CNC) systems also require production operators to have proficiency in basic mathematics. Employers will train employees in the intricacies of their particular systems, but they don't have the time to teach new employees Algebra I.

The workplace of the future will be an interactive one.

COMMUNICATION

The demand for individuals with the ability to read, write, and speak effectively will continue to grow. The American workplace is becoming increasingly competitive. Technology is bringing more complexity, and misunderstandings can be expensive. There isn't time to decipher poor writing, interpret vague communications, or explain written directions. People without solid communication skills are going to experience more difficulty in getting jobs, and those that do find work won't be the ones getting promotions.

PEOPLE SKILLS

The workplace of the future will be an interactive one. No longer will a person be able to go to work, close the door behind them, do their job, and go home. Tomorrow's employees will be working as members of task groups, quality improvement teams, and in special problem-solving cadres. Employee success will, in large measure, be determined by their ability to work interdependently with other employees. That means that workers will have to have good group and interpersonal communication skills. Resolving conflicts, group problem-solving, and comfort with negotiating, collaborating, and consensus building can be frustrating to those who don't have these skills.

Virtually every employer interviewed agreed that basic work habits are the single most important skill employees can bring to a job.

WORK HABITS

Virtually every employer interviewed agreed that basic work habits are the single most important skill employees can bring to a job. An individual with a great resume isn't going to be hired if they have poor work habits. At one high tech manufacturing company, production supervisors feel that if they have someone who has the work ethic, has an aptitude where they want to work in their environment, they can train anybody.

So, what are the basic work habits that concerned these employers?

Punctuality—being to work on time.
Reliability—being to work all the time.
Thoroughness—doing the job completely.
Thoughtfulness—being aware of the impact of one's actions and decisions on the organization.
Maturity—handling personal affairs so they do not interfere with job performance.
Flexibility—adapting well to change.

Does it sound like tomorrow's workplace will be a bleak, demanding, overly critical environment where the slightest mistake will get employees fired? It shouldn't. Even though competition is increasing, new technologies developing, and organizations rapidly changing, employers are discovering the value of happy, healthy employees. They produce more, they last longer, and they work harder. Employers are recognizing the importance of community in the workplace, and the need to support employees in taking calculated risks, being creative, and seeking out new and better ways of doing things. Employees who like to be involved, who thrive on challenge, can handle a steady diet of change, enjoy learning, and take care to see that they have the necessary education and work habits, will fare well in tomorrow's workplace. □

CHANGING WORKFORCE IMPACTS EMPLOYERS

Claire Lehnen

(Editor's note: Claire Lehnen is the personnel manager at Siemens Energy and Automation, Inc., an electrical manufacturing firm employing 100 persons in Portland, Oregon.)

As you've probably been aware, in the last year or so Oregon has enjoyed low unemployment rates. In 1989, Oregon's rate averaged 5.7% while the Portland metro area averaged 4.5%. Oregon is enjoying this full employment, yet from an employer's standpoint the flip side of the coin is the difficulty recruiting for job openings.

Siemens Energy and Automation, Inc. is an electrical manufacturing company. We manufacture heavy-duty electrical switchboards and panelboards. There are few other, if any, electrical manufacturers in the Portland area. Realizing this the company is willing to train applicants who have some basic mechanical skills.

Five years ago we were overwhelmed with applications and phone calls from people desperate for a job. Now, we are lucky if we get ten applicants for a job opening. Even though our job order specifies certain requirements, the ten applicants are likely to have minimal, if any, skills.

It is obvious that my company and other employers need to change recruitment attitudes and methods as Workforce 2000 creeps up on us. In previous years, applicants looked for a secure company that they could stay with for the rest of their lives. It was not uncommon for our parents to work for one company their entire working career. Fair pay, job security, and benefits were the most important factors. They could learn to work with others, or work around them if necessary.

Today's workforce wants the same fair pay, job security, and benefits, but more importantly they want to be recognized for their worth and afforded the opportunity for continual advancement. Today's workforce is looking for that ultimate employer that will recognize their value. Unfortunately, this type of employer seems to be fairly elusive if you look at current applicants' work history. Most employment applications contain space for four previous jobs. At age 20 most find this is not enough space.

Today's applicants believe that this does not reflect job-hopping in a negative sense, but rather continuous efforts by them to enhance their skill levels. My concern, however, is that they stay long enough with our company to justify our investment in training them.

As the busy summer season is fast approaching, I'm gearing up again for a big hiring drive. This year, I'll be looking for dislocated workers, including older workers, who are seeking stable and secure employment, but were displaced through a company closure, mass layoff, etc. With the average person living longer and taking better care of their health, older workers are a valuable resource, particularly in today's tight labor market.

I also plan on writing letters to the local high schools and community colleges to recruit youth who are taking classes in the electro/mechanical field, are motivated, and who have a good work ethic.

The Employment Division continues to assist me in our applicant search and in working with schools to educate students on the "real" working environment. Establishing a stronger business-education link is very important.

Businesses must get actively involved before young people enter the workforce, or suffer the consequences.

Businesses must get actively involved before young people enter the workforce, or suffer the consequences. Once in the workplace, they still need to develop their interpersonal skills, personal management (acceptance of controlling their own destiny), and problem-solving techniques. The educational process does not stop when students get a diploma, but starts all over again in the "school of life."

Yes, employers will need to be more creative when it comes to recruitment. The buck doesn't stop there. Once hired, management must train, educate, and motivate workers to be involved in their company. We must learn to work together and accept the changing workforce. □

LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division,

D. R. Steward, Assistant Administrator
Perky Collins, Typesetting
Carol Schmidt, Graphic Artist
Jeffry Hannum, State Economist & Editor.

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street N.E., Salem, OR 97311 or Phone (503) 378-8657.

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EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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